

## Message Text

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PAGE 01 QUITO 01008 131759Z

44

ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-20 CEA-02 CIAE-00 DODE-00 EB-11 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 PRS-01

SPC-03 FEA-02 OMB-01 SAM-01 DRC-01 /158 W

----- 018232

O 131740Z FEB 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 9998

LIMITED OFFICIAL USE QUITO 1008

E.O. 11652: N/A

TAGS: ETRD, EIND, EC

SUBJ: EXPORT CONTROLS AND SHORT SUPPLY PROBLEMS

REF: A. STATE 22871; B. STATE 23940

1. THE EXPORT OF A NUMBER OF BASIC RAW MATERIALS IS PROHIBITED OR REDUCED THROUGH THE MECHANISM OF DENIAL OF EXPORT LICENSES BY THE CENTRAL BANK. CENTRAL BANK INFORMED EMBASSY THAT NO EXPORT LICENSES ARE PRESENTLY GRANTED FOR SCRAP METAL, UNFINISHED LEATHER, WOOL, LIVESTOCK, MILK PRODUCTS, FLOUR, AND SUGAR. IN ADDITION, ACCORDING TO INDUSTRY SOURCES, LICENSES ARE USUALLY DENIED TO EXPORT SESAME, PALM KERNELS, PEANUTS, AND RUBBER. EXCEPT SUGAR, ONLY SMALL QUANTITIES OF THESE PRODUCTS WOULD ENTER INTERNATIONAL TRADE WITHOUT CONTROLS. RECENT PROHIBITION OF SUGAR EXPORTS WILL LAST UNTIL THE MID-YEAR HARVEST (QUITO 907). IN THE AREA OF FOREST PRODUCTS, LICENSES TO EXPORT PLYWOOD HAVE BEEN DENIED FOR OVER A YEAR AND LICENSES TO EXPORT VALUABLE HARDWOODS AS LUMBER ARE USUALLY DENIED; THE EXPORT OF LOGS IS PROHIBITED BY LAW.

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2. THESE CONTROLS ARE MAINTAINED TO MEET CONSUMER DEMAND

(FOOD PRODUCTS), TO SAFEGUARD SUPPLIES FOR DOMESTIC INDUSTRY (RUBBER AND WOOL), AND TO ENCOURAGE MANUFACTURING (LOGS).

3. NO EXPORT TAXES HAVE BEEN INCREASED SINCE JANUARY, 1973. TREND IS TOWARD LOWER EXPORT TAXES.

4. THERE ARE NO SIGNIFICANT AGREEMENTS TO TRADE BASIC RAW MATERIALS ON BARTER TERMS EXCEPT FOR GOVERNMENT BARTER OF CRUDE OIL TO TEXACO-GULF IN EXCHANGE FOR RECONSTITUTED CRUDE FOR LOCAL REFINERIES (QUITO 443). DUE TO INCONVERTIBILITY OF CURRENCIES, BILATERAL AGREEMENTS EXIST WITH SEVERAL EAST EUROPEAN COUNTRIES TO ASSIST BANANA EXPORTS. IN NEAR FUTURE, GOE MAY MAKE BILATERAL AGREEMENTS TO SEEL GOVERNMENT CRUDE IN RETURN FOR PROVISION OF SCARCE BASIC MATERIALS AND INDUSTRIAL EQUIPMENT.  
BREWSTER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RAW MATERIALS, CUSTOMS DUTIES, INDUSTRIAL EXPORTS, EXPORT CONTROLS, EXPORT LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974QUITO01008  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** QUITO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740235/aaaabhbi.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE  
**Office:** ACTION COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A. STATE 22871; B. STATE 23940  
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**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
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30 JUN 2005

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXPORT CONTROLS AND SHORT SUPPLY PROBLEMS  
**TAGS:** ETRD, EIND, EC  
**To:** STATE  
**Type:** TE  
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